

WC 04-425

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November 19, 2004

VIA MELLON BANK

Federal Communications Commission
Wireline Competition Bureau - CPD - 214 Appls.
c/o Mellon Bank
P.O. Box 358145
Pittsburgh, PA 15251-5145

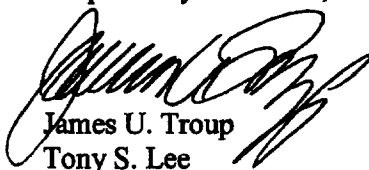
Re: **Sully Telephone Association, Inc., & Reasnor Telephone Company, LLC**
Domestic Section 214 Application for Streamlined Approval of a
Transfer of Control Pursuant to Sections 63.03 and 63.04 of the FCC's Rules

To Whom It May Concern:

On behalf of Sully Telephone Association, Inc. ("Sully Telephone"), and Reasnor Telephone Company ("Reasnor Telephone"), transmitted herewith are an original and four (4) copies of the companies' domestic Section 214 application for streamlined approval of a transfer of control pursuant to Sections 63.03 and 63.04 of the Commission's rules, 47 C.F.R. § 63.03 and 63.04. As further detailed in the application, the companies seek streamlined processing to effectuate the sale of the Reasnor, Iowa telephone exchange from Sully Telephone to Reasnor Telephone. A check in the amount of \$895.00 is enclosed to cover the requisite filing fee.

Please date-stamp and return the extra copy of this filing, which is included for this purpose. Should you have any questions with respect to this matter, please do not hesitate to contact the undersigned at (202) 857-1707.

Respectfully submitted,


James U. Troup
Tony S. Lee

Counsel for Sully Telephone Association, Inc.,
and Reasnor Telephone Company, LLC

Enclosures

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

SULLY TELEPHONE ASSOCIATION, INC.)
and)
REASNOR TELEPHONE COMPANY, LLC)

File No. _____

Domestic Section 214 Application for)
Streamlined Approval of a)
Transfer of Control Pursuant to)
Sections 63.03 and 63.04 of the)
Commission's Rules)

**JOINT APPLICATION FOR STREAMLINED APPROVAL OF A
TRANSFER OF CONTROL**

Sully Telephone Association, Inc. ("Sully Telephone"), and Reasnor Telephone Company, LLC ("Reasnor Telephone") (collectively, the "Applicants"), by their attorneys, hereby request approval pursuant to Section 214 of the Communications Act of 1934, as amended,¹ and Sections 63.03 and 63.04 of the Commission's rules,² for the sale of Sully Telephone's Reasnor, Iowa exchange to Reasnor Telephone. This application is subject to streamlined processing under Section 63.03(b)(1)(iii) of the Commission's rules because it involves only the transfer of the local exchange assets of an incumbent local exchange carrier ("LEC") by means other than an acquisition of corporate control.³

As described in this application, Sully Telephone has agreed to sell the assets of the Reasnor, Iowa exchange to Reasnor Telephone. After the transaction is complete, Reasnor Telephone will thereafter provide local, intrastate, and interstate telecommunications services to

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.03 and 63.04.

³ 47 C.F.R. § 63.03(b)(1)(iii).

the customers in the Reasnor exchange. No change in corporate control of Sully Telephone is involved. In support of this Application, Applicants submit the following information pursuant to Section 63.04 of the Commission's rules:

(1) The name, address and telephone number of each applicant.

Sully Telephone Association, Inc.
305 - 7th Avenue
Sully, IA 50251
Tel: (641) 594-2905; Fax: (641) 594-2938

Reasnor Telephone Company, LLC
1995 Ryons Street
Lincoln, NE 68502
Tel: (402) 477-1354; Fax: (402) 477-0754

(2) The government, state or territory under which the laws of which each corporate or partnership applicant is organized.

Sully Telephone is incorporated under the laws of Iowa. Reasnor Telephone is formed under the laws of Nebraska.

(3) The name, title, post office address, and telephone number of the officer or contact person, such as legal counsel, to whom all correspondence concerning the application is to be addressed.

The designated contacts for Sully Telephone are as follows:

Arie Scholten, General Manager
Sully Telephone Association, Inc.
305 - 7th Avenue
Sully, IA 50251
Tel: (641) 594-2905; Fax: (641) 594-2938

with a copy to:

James U. Troup, Esq.
McGuireWoods LLP
1050 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20036
Tel: (202) 857-1700; Fax: (202) 857-1737

The designated contacts for Reasnor Telephone are as follows:

Gary Neill, President
Reasnor Telephone Company, LLC
1995 Ryons Street
Lincoln, NE 68502
Tel: (402) 477-1354; Fax: (402) 477-0754

with a copy to:

James U. Troup, Esq.
McGuireWoods LLP
1050 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20036
Tel: (202) 857-1700; Fax: (202) 857-1737

- (4) **The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of these entities (to the nearest one (1) percent).**

Sully Telephone: Not Applicable.

Reasnor Telephone: Gary Neill, President
1995 Ryons Street
Lincoln, NE 68502
Citizenship: United States of America
Principal business: Telecommunications and
Telecommunications Consulting
Percent owned: 100%

- (5) **Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to this application is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853.**

Sully Telephone and Reasnor Telephone certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules, that neither party is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853.

(6) Description of the Transaction:

A. Background.

Sully Telephone is an independent telephone company that currently provides local exchange telecommunications services in the Sully and Reasnor exchanges, which are comprised of approximately 2,300 and 275 access lines, respectively. Reasnor Telephone is a newly-formed company that intends to operate as a provider of local exchange and exchange access telecommunications services in the State of Iowa, utilizing the facilities and equipment that are currently in place to serve the Reasnor exchange. Reasnor Telephone is headed by well qualified personnel with over thirty (30) years of experience in the telecommunications industry.

B. The transaction that is the subject of this application.

In this transaction, Sully Telephone is proposing to sell the Reasnor, Iowa exchange to Reasnor Telephone. This transaction includes all assets of the Reasnor exchange, except those specifically excluded by the agreement between the parties, associated with that exchange. The transaction therefore involves only the transfer of the local exchange assets of an incumbent LEC by means other than acquisition of corporate control.⁴ Upon consummation of this transaction, Reasnor Telephone will become the incumbent LEC in the Reasnor, Iowa exchange area.

Reasnor Telephone intends to provide service to all eligible customers in the Reasnor exchange, and will continue the provision of a full range of telecommunications services to both residential and business customers without any interruption to the current services provided to subscribers by Sully Telephone.

Sully Telephone's operations in the Sully and Reasnor telephone exchanges are managed and operated by personnel with extensive experience in the telecommunications industry.

⁴ See 47 C.F.R. § 63.03(b)(1)(iii).

Reasnor Telephone will continue the provision of a full range of telecommunications services to both residential and business customers without interruption to the current service provided to Sully Telephone's subscribers. After the proposed transaction is consummated, Reasnor Telephone will initially contract with Sully Telephone for certain day-to-day functions in the Reasnor exchange, such as maintenance.

Reasnor Telephone will offer substantially identical telecommunications services, at similar rates, to those currently available to Sully Telephone's customers in the Reasnor exchange. Reasnor Telephone, however, intends to implement upgrades and improvements, as further described below, to enhance service in the Reasnor exchange. Sully Telephone intends to use the economic gains realized by the transaction to enhance services to its remaining customers. No subscribers will lose their access to local exchange service as a result of the transfer. Moreover, since the transfer of the affected customers to Reasnor Telephone's services is intended to occur automatically, after notice, the transition will be free of service disruptions.

On September 2, 2004, the Iowa Utilities Board ("Board") issued an order approving the sale of the Reasnor exchange from Sully Telephone to Reasnor Telephone. *See* IUB Docket Nos. SPU-04-21, TF-04-255, and WRU-04-37-3775. In the order, the Board stated that it did not object to the transfer and determined that the transaction was in the public interest.

(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

The Sully and Reasnor exchanges are located in a rural, sparsely populated section of south central Iowa. As described above, the Sully exchange serves approximately 2,300 access lines and the Reasnor exchange serves approximately 275 access lines.

Sully Telephone is an independent telephone company that provides local exchange telecommunications services in both exchanges. Reasnor Telephone is a newly-formed company that intends to operate the Reasnor exchange after its transfer from Sully Telephone, and Reasnor Telephone will provide comparable local exchange services to the public.

- (8) A statement as to how the application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment.**

This transaction qualifies for presumptive streamlined treatment because it “involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of control.”⁵ As described above, only the assets in the Reasnor exchange owned by Sully Telephone will be transferred to Reasnor Telephone, and no corporate change of control will result from the transaction.

- (9) Identification of all other Commission applications related to the same transaction.**

The parties have filed a joint petition with the Commission seeking (1) a waiver of the definition of “study area” contained in the Appendix-Glossary of Part 36 of the Commission’s rules, and (2) a waiver of the definition of “average schedule company” contained in Section 69.605(c) of the Commission’s rules. The petition seeks FCC authority to remove the Reasnor exchange from Sully Telephone’s current Iowa study area, and to create a new study area consisting only of the Reasnor exchange served by Reasnor Telephone. The petition further requests a waiver of the average schedule company definition in order for Reasnor Telephone to continue operating the Reasnor exchange as an average schedule company. The application is currently pending before the Commission.

⁵ *Id.*

- (10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.**

Neither of the Applicants is facing imminent business failure. Accordingly, no special consideration of this application on this ground is requested.

- (11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.**

As discussed above, Sully Telephone and Reasnor Telephone have filed a joint petition with the Commission seeking a waiver of the definition of "study area" and "average schedule company", which is currently pending before the FCC.

- (12) A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.**

Grant of the instant Application will serve the public interest because it will result in the efficient provision of high-quality telecommunications services to rural consumers, and it will result in direct benefits to customers in both the Reasnor and Sully exchanges. Reasnor Telephone intends to make several improvements to the facilities serving the Reasnor exchange. For example, residents located in Galesburg are not currently served by fiber optic infrastructure to enable those citizens to enjoy the benefits of high bandwidth services available through such technology. A fiber optic network will be necessary in order for subscribers to take advantage of advanced bandwidth-intensive applications in the future, such as video streaming of high definition video programming. Reasnor Telephone plans to make capital improvements and extend the currently existing fiber optic network in the Reasnor exchange an additional five miles to serve the Galesburg community. Furthermore, Reasnor Telephone plans to build a fiber ring structure throughout the exchange, which will enhance the redundancy and reliability of the network, as well as extend high-speed digital transmission capabilities to areas not currently

served by fiber. Reasnor Telephone will continue the provision of excellent service quality and customer service to subscribers within the exchange it intends to purchase, and it will provide such service at affordable and competitive prices.

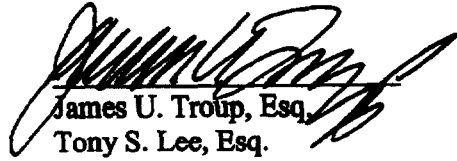
Subscribers in the Sully exchange will also benefit from the proposed transaction as Sully Telephone intends to use the economic gains from the sale of the Reasnor exchange to make upgrades to its equipment. The planned upgrades will permit the company to offer additional and enhanced services in the Sully exchange. The transfer of the exchange from Sully Telephone to Reasnor Telephone will be completely seamless to the subscribers in each exchange.

Moreover, the proposed transaction will increase operating efficiency and effectiveness regarding the provision of telecommunications services in the Reasnor and Sully exchanges because it will permit Applicants to each focus on serving a single telephone exchange, rather than spreading limited personnel and management resources over two rural exchanges. Reasnor Telephone's management team will endeavor to ensure that customers continue to receive the high-quality services they are accustomed to receiving, and they will seek to bring innovative and technologically advanced services to subscribers as market conditions warrant. Accordingly, grant of the instant Application is in the public interest.

Conclusion

For the reasons stated herein, Sully Telephone and Reasnor Telephone respectfully request that the Commission apply presumptive streamlined processing to this Application pursuant to Section 63.03 of the Commission's rules, 47 C.F.R. § 63.03, and upon due consideration of the facts before it, issue an order approving the Application.

Respectfully submitted,



James U. Troup, Esq.

Tony S. Lee, Esq.

McGuireWoods LLP

1050 Connecticut Avenue, N.W.

Suite 1200

Washington, D.C. 20026-5317

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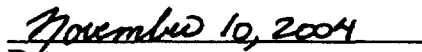
Counsel for Sully Telephone Company
and Reasnor Telephone Company, LLC

Date: November 19, 2004

CERTIFICATION ON BEHALF OF
SULLY TELEPHONE ASSOCIATION, INC.

I, Arie Scholten, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Sully Telephone Association, Inc.; that I have read the foregoing document and know the contents thereof; and that the same are true of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.


Arie Scholten
General Manager
Sully Telephone Association, Inc.


Date

CERTIFICATION ON BEHALF OF
REASNOR TELEPHONE COMPANY, LLC

I, Gary Neill, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of Reasnor Telephone Company, LLC; that I have read the foregoing document and know the contents thereof; and that the same are true of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.



Gary Neill
President
Reasnor Telephone Company, LLC

11-16-04

Date

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 2

(1) LOCKBOX # 358145			
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) McGuireWoods LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) 895.00	
(4) STREET ADDRESS LINE NO. 1 c/o James U. Troup			
(5) STREET ADDRESS LINE NO. 2 1050 Connecticut Avenue, N.W.; Suite 1200			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20036
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-857-1700		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0005857917			
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Sully Telephone Association, Inc.			
(14) STREET ADDRESS LINE NO. 1 305 - 7th Avenue			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Sully		(17) STATE Iowa	(18) ZIP CODE 50251
(19) DAYTIME TELEPHONE NUMBER (include area code) 641-594-2905		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0002592897			
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) 895.00	(27A) TOTAL FEE 895.00		
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23b) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE		
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, Tony S. Lee , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u><i>Tony S. Lee</i></u> DATE 11/19/2004			
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE _____	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE (CONTINUATION SHEET)Page No 2 of 2USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME Reasnor Telephone Company, LLC		
(14) STREET ADDRESS LINE NO. 1 1995 Ryons Street		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY Lincoln	(17) STATE NE	(18) ZIP CODE 68502
(19) DAYTIME TELEPHONE NUMBER (include area code) 402-477-1354		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 0011574746		
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	
(28F) FCC CODE 1	(29F) FCC CODE 2	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159-C

FEBRUARY 2003 (REVISED)